Postal Regulatory Commission Submitted 2/3/2016 4:10:04 PM Filing ID: 94895 Accepted 2/3/2016

BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

ANNUAL COMPLIANCE REVIEW, 2015

Docket No. ACR2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO QUESTIONS 1-4, 8, 11, AND 13-16 OF CHAIRMAN'S INFORMATION REQUEST NO. 6

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 6, issued on January 22, 2016. Each question is stated verbatim and followed by the response. The responses to the other questions were filed on January 29, 2016.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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475 L'Enfant Plaza, S.W. Washington, D.C. 20260-1137 (202) 277-6333 February 3, 2016

- 1. Please provide an Excel spreadsheet showing all post offices, stations, and branches, under suspension at the end of FY 2015, including the following data for each such office:
 - Office Name;
 - b. Office Type (post office, station, branch, or other);
 - c. City Location;
 - d. State;
 - e. Zip Code;
 - f. Date Suspended;
 - g. Date Reopened (if applicable);
 - h. Suspension Reason;
 - i. Discontinuance Proposal Posting Date;
 - j. Date of Community Meeting; and
 - k. Date of Posting of Final Determination to Discontinue.

RESPONSE:

The requested spreadsheet is provided in USPS-FY15-45. This list contains all offices that were identified as suspended at the end of FY 2015, including those that have since reopened.

- 2. Please provide a copy of the Collection Point Management System (CPMS) database as of the end of FY 2015. In it, please include:
 - a. An update to the fields provided to the Commission by the Postal Service in Responses to CHIR No. 1, question 16 in Docket No. ACR2014. See Library Reference USPS—FY14—43, Excel files "ChIR1.Q16—CPMS—Data—1.xlsx" and "ChIR1.Q16—CPMS—Data—2.xlsx."
 - b. The data fields pertaining to density volume testing that are referenced on page 24, footnote 22, of the Postal Service's Service Performance Measurement proposal. See Docket No. Pl2015-1, United States Postal Service Performance Measurement, Revised March 24, 2015, at 24 n.22.

RESPONSE:

The requested CPMS material is provided as part of USPS-FY15-45.

¹ Docket No. ACR2014, Responses of the United States Postal Service to Questions 1-2, 3a-b, 3d, 4, 6, 7a-e, 8-9, and 11-21 of Chairman's Information Request No. 1, January 16, 2015 (Responses to CHIR No. 1).

3. Library Reference USPS–FY15–33, Excel file "PostOfficesFY2015.xls," tab "Post Offices," column E shows that no post offices, stations/branches, or carrier annexes closed during FY 2015. However, the Postal Service's FY 2015 Annual Report shows that the number of post offices, stations/branches, and carrier annexes declined from 35,649 in FY 2014 to 35,520 in FY 2015. See Library Reference USPS–FY15–17, at 26. Please reconcile the differences between Library Reference USPS–FY15–33 and the FY 2015 Annual Report.

RESPONSE:

First, it is important to note that the figures cited in the question (35,649 and 35,520) as reflecting the numbers of post offices, stations/branches, and carrier annexes for FY2014 and FY 2015 on page 26 of the FY2015 Annual Report (USPS-FY15-17) actually reflect a more expansive figure from a row that includes those Postal-managed categories <u>plus</u> Contract Postal Units, Village Post Offices, and Community Post Offices. This is significant because the data reported in folder USPS-FY15-33 only pertain to Postal-managed facilities. The actual figures in the row in the FY 2015 Annual Report for the more limited set of Postal-managed categories are 31,662 and 31,606. Within those categories, it is clear that the source of almost all variation in the FY2015 Annual Report between the two years occurs in the row for Post Office (with figures of 26,669 and 26,615, respectively).

Second, please also note that the cited tab in USPS-FY15-33 has been revised. The numbers as revised (February 3, 2016) are also presented in response to Question 11 of this Information Request. What did not change in that revision, however, is the representation that no post offices, stations/branches or carrier annexes closed during FY 2015, which remains accurate.

The apparent reduction in the Post Office figures reported in the Annual Report for FY 2014 and FY 2015 reflects a reporting change, rather than any change in the number of actual physical Post Offices. At the time the figures for the FY 2014 Annual Report were prepared (and the FY 2014 figures reported in the FY 2015 Annual Report merely replicate those in the FY 2014 Annual Report), the Post Office count included certain "phantom offices" that are entered in the database for address matching, testing, and military (post office) purposes. While these entries in the database are therefore necessary for other reasons, the determination was made in FY 2015 that they properly should not be included in the count of physical Post Offices presented in the Annual Report. Omitting these "phantom offices" from the count in FY 2015 created the potential appearance (if one merely compared the Annual Report figures for FY 2014 and FY 2015) that a number of Post Office had closed in FY 2015, but that was not the case. An apples-to-apples comparison of FY 2014 and FY 2015 (i.e., with "phantom offices" consistently omitted from the count in each year) can be found in the revised USPS-FY15-33, and in the response to Question 11 of this Information Request.

- 4. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Unit Type (Community Post Office (CPO) or Contract Postal Unit (CPU), Location (City and State), and 5-Digit ZIP Code for the following:
 - a. CPUs and CPOs in existence at the beginning of FY 2015;
 - b. CPUs and CPOs newly established in FY 2015;
 - c. CPUs and CPOs closed during FY 2015; and
 - d. CPUs and CPOs in existence at the end of FY 2015.

RESPONSE:

The requested data are provided as part of USPS-FY15-45.

8. Please provide an update of Library Reference USPS-FY13-NP28 for FY 2015.

RESPONSE:

The requested spreadsheet, containing FY2015 walk-in revenue for PostPlan offices, is submitted under seal as part of USPS-FY15-NP34.

11. Please refer to the following two tables from Library Reference USPS-FY14-33, Excel file "PostOfficesFY2014," and Library Reference USPS-FY15-33, Excel file "PostOfficesFY2015," showing the total number of Post Offices, stations/branches, and carrier annexes at the beginning and end of their respective fiscal year.

Post Offices - FY 2014						
Area	Office Type	Total at Start of Fiscal Year	Closings During Fiscal Year	Total at End of Fiscal Year		
Canital	Post Offices	2174	0	2175		
Capital	Stations/Branches	557	0	566		
Metro	Carrier Annexes	107	0	108		
	Post Offices	5495	0	5496		
Eastern	Stations/Branches	785	0	783		
	Carrier Annexes	90	0	90		
Croot	Post Offices	3333	0	3333		
Great Lakes	Stations/Branches	416	0	418		
Lakes	Carrier Annexes	81	0	83		
	Post Offices	3060	0	3061		
Northeast	Stations/Branches	918	0	915		
	Carrier Annexes	99	0	100		
	Post Offices	1090	0	1091		
Pacific	Stations/Branches	678	0	683		
	Carrier Annexes	76	0	76		
	Post Offices	4724	0	4725		
Southern	Stations/Branches	921	0	922		
	Carrier Annexes	105	0	109		
	Post Offices	6772	0	6774		
Western	Stations/Branches	674	0	661		
	Carrier Annexes	131	0	132		
	Post Offices	26648	0	26655		
NATIONAL	Stations/Branches	4949	0	4948		
	Carrier Annexes	689	0	698		

Post Offices - FY 2015						
Area	Office Type	Total at Start of Fiscal Year	Closings During Fiscal Year	Total at End of Fiscal Year		
Conital	Post Offices	2149	0	2149		
Capital Metro	Stations/Branches	292	0	292		
Metro	Carrier Annexes	93	0	89		
	Post Offices	5339	0	5339		
Eastern	Stations/Branches	463	0	453		
	Carrier Annexes	65	0	64		
	Post Offices	3296	0	3296		
Great Lakes	Stations/Branches	231	0	231		
	Carrier Annexes	60	0	60		
	Post Offices	3023	0	3023		
Northeast	Stations/Branches	444	0	444		
	Carrier Annexes	75	0	74		
	Post Offices	1088	0	1088		
Pacific	Stations/Branches	333	0	333		
	Carrier Annexes	57	0	57		
	Post Offices	4641	0	4641		
Southern	Stations/Branches	930	0	589		
	Carrier Annexes	84	0	82		
	Post Offices	6660	0	6660		
Western	Stations/Branches	447	0	447		
	Carrier Annexes	103	0	101		
	Post Offices	26196	0	26196		
NATIONAL	Stations/Branches	2789	0	2789		
	Carrier Annexes	537	0	527		

- a. Please confirm that the column "Total at End of Fiscal Year" from the FY 2014 table does not match the column "Start of Fiscal Year" from the FY 2015 table. For example, the National Post Offices total at the end of FY 2014 was 26,655 while the National Post Offices total at the beginning of FY 2015 was 26,196; a difference of 459 Post Offices. If not confirmed, please explain.
- b. If confirmed, please explain the discrepancies.

RESPONSE:

First, please note that cited table from folder USPS-FY15-33 has been revised:

Post Offices - FY 2015 -- Revised

Area	Office Type	Total at Start of Fiscal Year	Closings During Fiscal Year	Total at End of Fiscal Year	
	Doot Offices	0470	0	0470	
Capital	Post Offices	2173	0	2173	
Metro	Stations/Branches	512	0	512	
	Carrier Annexes	87	0	87	
Eastern	Post Offices Stations/Branches Carrier Annexes	5472 658 65	0 0 0	5472 658 65	
	Carrier Armexes	03	U	03	
Great	Post Offices	3334	0	3334	
Lakes	Stations/Branches	387	0	387	
Lakes	Carrier Annexes	61	0	61	
	Post Offices	3059	0	3059	
Northeast	Stations/Branches	833	0	833	
	Carrier Annexes	76	0	76	
	Post Offices	1091	0	1091	
Pacific	Stations/Branches	615	0	615	
	Carrier Annexes	56	0	56	
	Post Offices	4715	0	4715	
Southern	Stations/Branches	845	0	845	
	Carrier Annexes	84	0	84	
	Post Offices	6771	0	6771	
Western	Stations/Branches	611	0	611	
	Carrier Annexes	101	0	101	
	Post Offices	26615	0	26615	
NATIONAL	Stations/Branches	4461	0	4461	
	Carrier Annexes	530	0	530	

a. Confirmed.

b. Due to personnel changes and the dynamic nature of the database, the Postal Service has been unable to locate the source data for the FY 2014 figures reported in the FY 2014 ACR. Therefore, we are unable to explain completely the discrepancies observed in the question. The revisions to USPS-FY15-33, however, do mitigate those discrepancies substantially. The remaining discrepancy in the count of Post Offices probably relates to the "phantom offices" situation discussed in response to Question 3 of this Information Request. It also appears that, for unknown reasons, the FY 2014 table probably "double counted" the Carrier Annexes by including them not only in their own row, but in the Stations/Branches row as well. No further information is available, although based on the source data that exist now, the Postal Service concludes that the best available numbers for End of Year FY 2014 figures (and hence Beginning of Year FY 2015 numbers) for each category are those shown in the first column of the revised USPS-FY15-33 (February 3, 2016) table reproduced above.

13. Please resubmit Library Reference USPS-FY15-33, Excel file "PostOfficesFY2015," tab "Suspensions" with information linked back to the source data.

RESPONSE:

The apparent (but erroneous) premise of this request seems to be that the hardcoded values in that tab are extracted from an Excel file. In fact, those values reflect the results of mainframe queries. Nevertheless, the Excel file provided in response to Question 1 of this Information Request, plus the expanded format of the "Suspensions" tab itself, should facilitate verification of most of the information presented in that tab in the revised version of USPS-FY15-33 (February 3, 2016).

14. Please refer to the following table from Library Reference USPS-FY15-33.

Suspensions - FY 2015						
Area	Office Type	Suspensions at Start of Fiscal Year	Suspensions During Fiscal Year	Suspensions at End of Fiscal Year		
Conital	Post Offices	20	1	22		
Capital Metro	Stations/Branches	8	0	7		
Metro	Carrier Annexes	0	0	0		
	Post Offices	124	22	152		
Eastern	Stations/Branches	26	4	29		
	Carrier Annexes	1	0	1		
Croot	Post Offices	33	8	40		
Great Lakes	Stations/Branches	10	1	11		
Lakes	Carrier Annexes	0	0	0		
	Post Offices	31	9	40		
Northeast	Stations/Branches	15	4	19		
	Carrier Annexes	0	0	0		
	Post Offices	9	1	11		
Pacific	Stations/Branches	15	3	18		
	Carrier Annexes	0	0	0		
	Post Offices	59	5	64		
Southern	Stations/Branches	14	1	15		
	Carrier Annexes	0	0	0		
	Post Offices	122	17	140		
Western	Stations/Branches	9	0	8		
	Carrier Annexes	0	0	0		
	Post Offices	398	63	469		
NATIONAL	Stations/Branches	97	13	107		
	Carrier Annexes	1	0	1		

- a. Please confirm that the formula for finding "Suspensions at End of Fiscal Year" is "Suspensions at Start of Fiscal Year" + "Suspensions During Fiscal Year." If not confirmed, please explain.
- b. Please confirm there are discrepancies in various categories where "Suspensions at Start of Fiscal Year" + "Suspensions During Fiscal Year" does not equal "Suspensions at End of Fiscal Year." For example, Capital Metro Post Offices had 20 suspensions at the start of the fiscal year, 1 suspension during the fiscal year, but ended the fiscal year with 22 suspensions. If not confirmed, please explain. If confirmed, please reconcile all discrepancies.

RESPONSE:

This table was amended in the revised USPS-FY-33, filed February 3, 2016.

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Area	Office Type	Suspensions at Start of Fiscal Year	Suspensions During Fiscal Year	Re-opened during Fiscal Year	Suspensions at End of Fiscal Year
Capital Metro	Post Offices	21	3	2	22
Capital Metro	Stations/Branches	10	0	0	10
	Carrier Annexes	0	0	0	0
	Garrier Armexes		Ŭ		
Eastern	Post Offices	128	39	10	157
	Stations/Branches	27	6	4	29
	Carrier Annexes	1	0	0	1
Great Lakes	Post Offices	38	16	2	52
	Stations/Branches	11	1	0	12
	Carrier Annexes	0	0	0	0
Northeast	Post Offices	34	4	2	36
	Stations/Branches	17	4	2	19
	Carrier Annexes	0	0	0	0
	D 1000				
Pacific	Post Offices	10	1	1	10
	Stations/Branches	19	5	0	24
	Carrier Annexes	0	0	0	0
Southern	Post Offices	57	7	1	63
Southern	Stations/Branches	14	2	1	15
	Carrier Annexes	0	0	0	0
	Garrier Armexes		Ŭ		
Western	Post Offices	120	24	8	136
	Stations/Branches	11	1	0	12
	Carrier Annexes	0			0
NATIONAL	Post Offices	408	94	26	476
	Stations/Branches	109	19	7	121
	Carrier Annexes	1	0	0	1

a. Not confirmed. If a suspension, either in effect at the beginning of the year or initiated during the course of the year, was reversed prior to the

end of the year because the office reopened, the two-step formula postulated in the question for calculating Suspensions at the End of the Year (even if applied to the original version of the table) should not be expected to yield the correct result. More fundamentally, the entries in the various columns are not calculated from each other, but rather represent the independent output of different mainframe queries. Therefore, the expectation that the column values are directly linked by formula is misplaced. Nevertheless, the revised version of the table reflects a logical flow of data across the four columns in a three-step process (Beginning Suspensions plus new Suspensions minus Offices Reopened equals Ending Suspensions) which is now internally consistent in each row.

b. Confirmed that there were discrepancies in the original version of the table replicated in the question, notwithstanding the fact that the values in the columns were never intended to be linked by formula, and the fact that the formula postulated would not have been correct in any case. But, as explained above, those discrepancies have been eliminated in the revised version of the table.

- 15. Please refer to Library Reference USPS-FY15-29, Excel file "FY15 ACR First-Class Mail.xls." Please confirm actual mail volumes are used to weigh the External First-Class (EXFC) Measurement System service performance results at the service standard, national, area, and district levels. If confirmed, please provide actual First-Class Mail volumes (used by EXFC), disaggregated by district, quarter, and associated service standard for the following products:
 - Single-Piece Letters/Postcards Overnight;
 - b. Single-Piece Letters/Postcards 2-Day;
 - c. Single-Piece Letters/Postcards 3-5-Day;
 - d. Flats Overnight;
 - e. Flats 2-Day; and
 - f. Flats 3-5-Day.

RESPONSE:

Estimates of actual mail volumes are used to weight the External First-Class (EXFC)

Measurement System service performance results at the district, area, and national levels. The estimates are based on average daily volumes from the Origin-Destination Information System (ODIS) using the most recently completed 12 quarters of 3-Digit ZIP Code to 3-Digit ZIP Code Single-Piece First-Class Mail volumes, aggregated to origin district to destination district-service standard combinations (e.g, Alabama to Atlanta – 2-Day), using the service standards applicable to the measured quarter. The same weights are used for both Single-Piece Letters/Cards and Single-Piece Flats.

The excel file **ChIR.6.Q.15 Response.xlsx**, attached to this response electronically, contains the weights used for each quarter of FY15. The file contains six tabs, representing the data requested in Parts a, b, c, d, e, and f of the question. These sheets also include the on-time performance scores and show the formulas used to

calculate the annual scores from the quarterly scores. These sheets were extracted from files submitted to the Commission for the Quarter 4 FY 2015 reporting period. The columns labeled "Weights" show the estimated average daily volumes. The "Delivery Days" columns depict the number of delivery days in each quarter. Multiplication of the "Weights" and "Delivery Days" columns would represent an estimate of the total volume originating from or destinating to the district, area, or nation for the quarter. The columns labeled "Volume" indicate the number of test pieces comprising the performance score. Small differences between "Weights" for Single-Piece Letters/Cards and Single-Piece Flats for the same district-service standard-quarter reflect differences between the origin district-destination district-service standard combinations measured with test pieces for letters/cards and test pieces for flats during the quarter. Because the volume of test mail flats is significantly lower than letters/cards, consistent with the Single-Piece mail population, fewer district to district links are tested in a given quarter with flats than with letters.

- **16.** Please refer to Library Reference USPS–FY15–29, zipfile "FY15-29." With respect to FY 2015 First-Class Mail, Standard Mail, Periodicals, and Package Services volumes, please provide the following, disaggregated by class, product, and service standard:
 - a. Percentage of mail in measurement;
 - b. Percentage of mail entered at Full-Service IMb prices and included in measurement; and
 - Percentage of mail processed as Full-Service IMb, but excluded from measurement.

RESPONSE:

The Postal Service does not have data regarding the total volume of mail (measured plus unmeasured), or the total volume of Full-Service mail that was not measured, that have been disaggregated by class, product, and service standard. For all products and classes, this information is not available by service standard. For Standard Mail and Periodicals, data on total Full-Service volumes are maintained at the mail class level, and not the product level. The following table presents the data that are available.

Product	a. Percentage of Mail in Measurement	b. Percentage of mail entered at Full-Service IMb prices and included in measurement	c. Percentage of mail processed as Full-Service IMb, but excluded from measurement
First-Class Mail			
Single-Piece Letters/Postcards	0.01%	N/A	N/A
Presort Letters/Postcards	52.74%	60.20%	39.80%
Flats	12.75%	54.17%	45.83%
Parcels	34.57%	N/A	N/A
Outbound Single-Piece First-Class Mail® International	0.01%	N/A	N/A
Inbound Single-Piece First-Class Mail® International	0.00%	N/A	N/A
Standard Mail			
High Density and Saturation Letters	58.78%	Not Available	Not Available
High Density and Saturation Flats/Parcels	21.87%	Not Available	Not Available
Carrier Route	53.80%	Not Available	Not Available
Letters	56.07%	Not Available	Not Available
Flats	45.04%	Not Available	Not Available
EDDM-Retail	27.98%	N/A	N/A
Parcels	30.35%	N/A	N/A
Mixed Product Standard Letters	N/A	N/A	N/A
Mixed Product Standard Flats	N/A	N/A	N/A
Total Standard Mail	50.29%	65.21%	34.79%
Periodicals			
In-County	N/A	Not Available	Not Available
Outside County	46.70%	Not Available	Not Available
Total Periodicals	42.68%	61.63%	38.37%
Package Services			
Parcel Post/Alaska Bypass	N/A	N/A	N/A
Bound Printed Matter Flats	10.09%	38.20%	61.80%
Bound Printed Matter Parcels	19.41%	N/A	N/A
Media Mail®/Library Mail	58.76%	N/A	N/A
Notes			
N/A = Not Applicable			
Not Available = The Postal Service does n information available.	ot have this		